

## Message Text

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PAGE 01 PANAMA 00258 132242Z  
ACTION ARA-14

INFO OCT-01 ISO-00 COME-00 EB-08 H-01 /024 W  
-----011336 140554Z /12  
R 132207Z JAN 78  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC 5264

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E.O. 11652: DECLASSIFY UPON RECEIPT  
TAGS: BDIS, PN (BLACK AND DECKER)  
SUBJECT: CONGRESSIONAL INQUIRY ABOUT BLACK AND DECKER (BAD)

REF: STATE 008849

1. BAD'S RESIDENT REP, EDWARD YOUNG, BROUGHT TO EMBASSY ATTENTION ITS PROBLEM WITH ITS FORMER DISTRIBUTOR, GEO. F. NOVEY, INC., ON NOVEMBER 16, 1977. NOVEY (WTDR 2/16/77) IS ONE OF PANAMA'S LARGEST HARDWARE RETAILERS AND DISTRIBUTORS AND HAS BEEN HANDLING BAD PRODUCTS SINCE 1960. YOUNG HAS BEEN KEEPING EMBASSY CURRENTLY INFORMED OF DEVELOPMENTS AS THEY OCCURRED.

2. IN SEPTEMBER 1976, NOVEY--THROUGH ITS LEGAL REP MORGAN & MORGAN--FILED A SUIT AGAINST BAD TO RECOVER DAMAGES OF \$146,000 CLAIMING LOSS OF THE MARKET BECAUSE OF BAD'S DISTRIBUTING ITS PRODUCTS THROUGH ITS COLON FREE TRADE ZONE AND PANAMA CITY SERVICE CENTER. NOVEY FURTHER CLAIMED--IN INTERESTS OF SELF-PRESERVATION--IT HAD NO RECOURSE BUT TO OBTAIN EXCLUSIVE DISTRIBUTORSHIP OF ROCKWELL INT'L POWER TOOLS. IN CONJUNCTION WITH THE DAMAGE SUIT. NOVEY ALSO OBTAINED A GOP INJUNCTION WHICH BANNED IMPORTATION OF BAD PRODUCTS UNDER PROVISIONS OF CABINET DECREE 344, PENDING SETTLEMENT BETWEEN THE TWO PARTIES.

3. YOUNG REPORTED JANUARY 13 THAT GOP IMPORT RESTRICTION  
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LIFTED JANUARY 10, FOLLOWING BAD'S POSTING OF \$146,000-BOND. NOVEY HAS 60 DAYS TO FILE AN APPEAL. FOLLOWING THAT DATE, THE AGENCY DISPUTE WILL BE BROUGHT BEFORE THE SUPREME COURT. IN THE MEANTIME, IN AN EFFORT TO REACH OUT-OF-COURT SETTLEMENT, BAD HAD LATELY OFFERED NOVEY \$75,000. BAD'S LEGAL REP, RICARDO DURLING, EVEN OFFERED AN ADDITIONAL \$10,000 FROM HIS ANTICIPATED FEES

BECAUSE--ACCORDING TO YOUNG--"HE WAS FED UP WITH THIS CASE\*" HOWEVER, NOVEY NOW WANTS \$110,000 INSTEAD OF ITS ORIGINAL CALIM OF 146,000.

4. YOUNG STILL BELIEVES BAD WILL WIN ITS CASE, SINCE NOVEY HAD NO "EXCLUSIVE DISTRIBUTORSHIP" WITH BAD. YOUNG ALSO BELIEVES NOVEY WILL FINALLY GIVE IN AND ACCEPT BAD'S RECENT OFFER. TO YOUNG'S BEST KNOWLEDGE, COMMERCE MINISTER SOSA HAS YET TO RESPOND TO LETTER OF BAD'S PRESIDENT GOLDSMITH (REFTEL).

5. YOUNG PROMISED TO KEEP EMBASSY ABREAST OF FURTHER DEVELOPMENTS.

JORDEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**TAGS:** BDIS, PN  
**To:** STATE  
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